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STATE FOR EUR/WE; EB/ESC/TFS
Treasury for Michael Jacobson and Jim Freis

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TAGS: [EFIN](#) [PTER](#) [ECON](#) [FR](#)
SUBJECT: FRENCH UPDATE ON THE TFTP

REF: STATE 194473

Classified by CDA Karl Hofmann reasons 1.4 b and d.

¶1. (C) SUMMARY: France remains cautious about the Terrorist Finance Tracking Program (TFTP). It is still debating internally how to respond to the European Commission's queries, mindful of the priority to ensure that counter-terrorism cooperation continues. END SUMMARY.

¶2. (C) Drawing on points provided reftel, the Ambassador expressed our concerns that the EU WP29 privacy opinion might jeopardize the Terrorist Finance Tracking Program (TFTP) via letter to Nicolas Sarkozy, Minister of the Interior, on December 7, with copies to the chiefs of staff of the Minister of Finance and the Minister of Foreign Affairs.

¶3. (C) We subsequently spoke with Gilles Mentre, diplomatic counselor for Finance Minister Breton, who said the Minister was quite interested in the letter since, he recalled, Breton had this past summer requested from the Embassy more information about SWIFT (which we had provided). He said Breton had passed the letter to staff for fuller consideration. According to Corso Bavagnoli, the newly arrived office director for International Financial Affairs at the Finance Ministry, the GOF lead will be determined by how the European Commission decides to handle the issue in Brussels. If Justice takes it up, France will give the domestic lead to its Interior Ministry, but if EcoFin takes it up, the French Finance Ministry will take the lead. Bavagnoli believes the European Commission wants to deal with this like the airlines' PNR issue: US/EU, rather than bilaterally at the member state level. Bilaterally, France does want to continue its counter terrorism cooperation, but also faces legal constraints about privacy issues. The Ministry has just begun its legal analysis, which will not be complete until after the holiday break.

¶4. (C) We also spoke with Christophe Chaboud, the director of the Interior Ministry's Unit for Coordination of the Fight Against Terrorism (UCLAT). Chaboud reported that Minister Sarkozy had just tasked him to respond to the Ambassador's letter. While technical details need to be addressed (the internal legal constraints as well as dealing with the issue institutionally at the European Commission), he assured us there is no question that France wants to continue its counter-terror cooperation.

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